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Dolores
(D. Promani)



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September 20, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square
San Francisco, CA 94105

Re: Wal-Mart ILC Application

Dear Mr. Carter:

The Dolores State Bank is opposed to Wal-Mart's application for a Utah based ILC. The Bank welcomes fair competition. However, based on Wal-Mart's repeated attempts to purchase existing financial institutions and their tepid assurances to the contrary; the Bank believes this is a small, but important, step to introducing retail banking services. Given Wal-Mart's resources, the Bank fears a Wal-Mart Bank would engage in the same predatory tactics its' retail operations have used to deleterious effects on local merchants.

Further, approval of the application would introduce a dangerous precedent of mixing banking and commerce with consequences for the economy as well as regulatory oversight. In the long term, this arrangement may limit the banking options of smaller companies to the point of requiring them to do business with competitor owned banks. Dissimilar regulations and requirements put ILC's at a competitive advantage while simultaneously weakening the industry. Sanctioning the merger of banking and commerce is not the way to sustain a vibrant small business environment and instill confidence in the banking system.

In closing The Dolores State Bank supports the efforts of the Sound Banking Coalition to oppose Wal-Mart's application.

Respectfully,

Larry Engel
AVP/AC